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SENATE

{ REPORT
No. 650

AMENDING THE LAW RELATING TO THE DISTRIBUTION OF THE FUNDS OF THE CREEK TRIBE

AUGUST 11, 1959.—Ordered to be printed

Mr. MURRAY, from the Committee on Interior and Insular
Affairs, submitted the following

R E P O R T

[To accompany S. 2339]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 2339) to amend the law relating to the distribution of the funds of the Creek Tribe, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The act of August 1, 1955 (69 Stat. 431), provided for the distribution of all funds held by the United States in trust for the Creek Nation and certain members thereof. Such action permitted the Indians to derive some benefit from their money, and to stop the accrual of interest on money that was on deposit in the Treasury of the United States.

While it is the usual procedure for Indians to pay the costs of distributing judgments awarded to tribes, the Department of the Interior, in connection with the 1955 act, recommended that the Federal Government pay these costs because of special circumstances involved. A \$200,000 authorization was provided for this purpose.

As of July 1, 1958, approximately 13,300 claims have been submitted to the Interior Department, and 7,300 of these have been paid. Most of the unpaid claims involve time-consuming heirship adjudication. They are being processed at the rate of 200 a month. At this rate, it is expected that 2,400 cases will be completed in fiscal year 1959, leaving 3,600 to be processed, along with another estimated 5,000 claims yet to be filed.

According to Department of the Interior spokesmen, funds are available to finance the present work, which costs about \$70,000 annually, through fiscal year 1959. However, it is estimated that the additional \$125,000, as authorized in S. 2339, will be needed in fiscal year 1960 in order to complete the distribution.

The executive communication dated June 25, 1959, from the Secretary of the Interior to the Vice President requesting introduction and enactment of S. 2339, is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 25, 1959.

HON. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill to amend the law relating to the distribution of the funds of the Creek Tribe.

We recommend that the proposed bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

The bill increases the appropriation authorization in the act of August 1, 1955 (69 Stat. 431), from \$200,000 to \$325,000.

The 1955 act provided for the distribution of all funds belonging to the Creek Tribe. It also authorized the appropriation from the Treasury of \$200,000 to pay the cost of distributing the funds.

The payment of distribution costs by the Government rather than out of tribal funds, which is the normal procedure when distributing judgments recovered by tribes, was recommended by us when the 1955 act was under consideration in the following words:

"Section 5 of the bill authorizes the appropriation of \$200,000 to defray the expenses incident to the distribution of the funds. The circumstances justify this request. There are three groups of persons entitled to payment: (1) persons entitled to equalization payments; (2) persons entitled to share in the judgment in favor of the loyal Creeks and Freedmen; and (3) persons entitled to share per capita in the distribution of the residual funds of the Creek Nation. Enactment of the proposed bill will require that attention be directed to the 1,185 persons on the 1907 rolls with equalization claims and an unestimated number of heirs and legatees of such persons who are deceased. This will impose a work load which cannot be absorbed by the personnel available under present appropriations to the Bureau of Indian Affairs. It does not appear reasonable to assess the cost of the delayed payments against tribal funds, since the delay is not attributable to the tribe.

"Funds payable to the descendants of the Loyal Creeks and Freedmen were awarded by the Indian Claims Commission and they represent the remaining half of a claim that was partially paid in 1904. While the finding of the Commission should be regarded as final and conclusive regarding the amount due the Indians, the award contains no amount for interest on a principal payment that has been delayed for fifty years. It is interesting to note that if the principal amount of \$600,000 were projected at 4 percent interest for fifty years it would amount to \$4,264,010.01. While there is no intention to supplement the amount of the award, the claimants are reasonably entitled to

payment of the full amount of the award without deducting the expenses of distribution."

As of July 1, 1958, approximately 13,300 claims had been received and 7,300 of them had been paid. Practically all of the unpaid claims involve heirship adjudication, which requires considerably more time to process than the claims of living enrollees. At the present rate of clearing heirship claims for payment (about 200 per month), 2,400 of the cases will be adjudicated during fiscal year 1959, leaving 3,600 to be processed, along with another estimated 5,000 claims yet to be filed.

Funds are available to finance the present work, which costs approximately \$70,000 annually, through fiscal year 1959. We estimate that an additional \$125,000 will be required to be appropriated in fiscal year 1960 in order to complete the distribution.

The Bureau of the Budget has advised us that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

(Signed) ROGER ERNST,
Assistant Secretary of the Interior.

A BILL To amend the law relating to the distribution of the funds of the Creek Tribe

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act of August 1, 1955 (69 Stat. 431), is amended by changing "\$200,000" to "\$325,000".

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill (S. 2339), as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF AUGUST 1, 1955 (69 STAT. 431)

* * * * *

SEC. 5. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of **["\$200,000"]** *\$325,000* to remain available until expended, for necessary expenses incident to the distribution of funds authorized by this Act.

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